NOMINATIONS OF ANDREW E. GIBSON AND WILLIAM W. WATKIN, JR., TO BE MEMBERS OF THE BOARD OF THE PANAMA CANAL COMMISSION

HEARING

BEFORE THE

COMMITTEE ON ARMED SERVICES
UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

ON

NOMINATIONS OF

ANDREW E. GIBSON, OF NEW JERSEY, TO BE A MEMBER OF THE BOARD OF THE PANAMA CANAL COMMISSION

WILLIAM W. WATKIN, JR., OF NEW JERSEY, TO BE A MEMBER OF THE BOARD OF THE PANAMA CANAL COMMISSION

SEPTEMBER 14, 1982

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NOMINATIONS OF ANDREW E. GIBSON AND WILLIAM W. WATKIN, JR., TO BE MEMBERS OF THE BOARD OF THE PANAMA CANAL COMMISSION

TUESDAY, SEPTEMBER 14, 1982

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C.

The committee met in open session, at 2:16 p.m., in room 212, Russell Senate Office Building, Hon. John Tower, chairman, presiding.

Present: Senators Tower, Jepsen, and Exon.

Staff present: Rhett Dawson, staff director and chief counsel; James F. McGovern, general counsel; Paul C. Besozzi, minority counsel; Christine C. Dauth, chief clerk; Anthony J. Principi, counsel; Richard D. Finn, George K. Johnson, Jr., David S. Lyles, professional staff members; Mary A. Shields, research assistant; and Kimberly A. Manning and Jacquie S. O'Grady, staff assistants.

Also present: Dennis P. Sharon, assistant to Senator Goldwater; Buzz Hefti, assistant to Senator Warner; Jim Dykstra, assistant to Senator Cohen; Jon Etherton, assistant to Senator Jepsen; Hank Steenstra, assistant to Senator Quayle; Paul Schreiber, assistant to Senator Denton; Colleen Getz, assistant to Senator Brady; Robert Nichols and Dale Brighton, assistants to Senator Jackson; Gray Armistead and Julia Habel, assistants to Senator Byrd; Arnold Punaro, assistant to Senator Nunn; Greg Pallas, assistant to Senator Exon; Peter Lennon, assistant to Senator Levin; and Bill Lind, assistant to Senator Hart.

OPENING STATEMENT BY SENATOR JOHN TOWER, CHAIRMAN

Chairman TOWER. The committee will come to order.

The committee convenes this afternoon to consider the nominations of Andrew E. Gibson and William W. Watkin to be members of the Board of Directors of the Panama Canal Commission.

We will also consider various routine military nominations that have been pending before the committee for the requisite period of time.

Finally, we will hear from and act on the recommendation of the Subcommittee on Manpower and Personnel on the Uniformed Services Pay Act.

I congratulate Mr. Gibson and Mr. Watkin. They have been selected by the President to serve on the Board. It is my intent to have the committee hear from each of the nominees individually, beginning with Mr. Gibson.

Before I call on Mr. Gibson, however, I would like to advise the committee that both nominees have previously met with the committee staff and agreed to take all necessary actions to comply with the committee's policies and procedures concerning financial disclosures and potential conflict of interest.

I understand, Mr. Gibson, that your wife Julie is here with you this afternoon. We are delighted to have you.

Mr. Watkin, do you have any of your relatives here with you today?

Mr. WATKIN. No; I am unaccompanied, Mr. Chairman.

Chairman TOWER. All right; thank you.

So, we will hear from each of you, gentlemen. First, I will recognize Mr. Gibson. If you have a statement, you may read it to the committee or submit it for the record.

[The nomination reference and biographical sketch of Andrew E. Gibson follow:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
April 29, 1982.

Ordered, That the following nomination be referred to the Committee on Armed Services:

Andrew E. Gibson, of New Jersey, to be a Member of the Board of the Panama Canal Commission, vice John W. Clark.

BIOGRAPHICAL SKETCH OF ANDREW E. GIBSON

Education.—Mr. Gibson holds a B.A. degree, cum laude, with high honors in economics, from Brown University and an M.B.A. degree from New York University. He is also a graduate of the Advanced Management Program at the Harvard Business School.

Professional experience.—Mr. Gibson is President of Delta Steamship Lines, Inc., a leading American shipping company which operates from U.S. Atlantic, Gulf and Pacific Coasts to ports in Central and South America, the Caribbean and West Africa. Previously, Mr. Gibson was President of Interstate Oil Transport Company of Philadelphia.

In addition, Mr. Gibson's professional experience includes four years with the U.S. Department of Commerce. As Assistant Secretary for Domestic and International Business, he organized and established the Domestic and International Business Administration and was responsible for heading the team which negotiated the Trade Agreement with the Soviet Union signed in October 1972.

Prior to that, as Assistant Secretary for Maritime Affairs, Mr. Gibson developed the Administration's program to rebuild the U.S. Merchant Marine. In this capacity, he was responsible for drafting the enabling legislation resulting in the Merchant Marine Act of 1970.

While with the Department of Commerce, his other appointments included Joint Chairman of the NATO Shipping Coordinating Group; Chairman, U.S. Delegation to the International Labor Organization; and Member of the Commission on American Shipbuilding. He was appointed by the President to be a Director of the National Center for Productivity and Quality of Working Life in 1976.

Mr. Gibson was with Grace Lines, New York, for many years. He joined the firm in 1953 as Assistant to the Treasurer and ultimately advanced to be Senior Vice President. The former Grace Line service is currently incorporated in the Delta Steamship organization.

Earlier, Mr. Gibson served as Deck Officer and Master of company ships for United States Lines Co. He also served as a Lieutenant in the U.S. Navy during the Korean War.

Directorships and clubs.—Mr. Gibson is a Director of the American Bureau of Shipping; Chairman of the National Maritime Council; a member of the Board of Trustees of the Council of the Americas; and he serves on the Executive Committee of the Navy League of the United States. He belongs to the Economic Club of New York, the Harvard Business School Club of New York, the Union League of Philadelphia, and the Canoe Brook Country Club of Short Hills, N.J.

STATEMENT OF ANDREW E. GIBSON, OF NEW JERSEY, TO BE A MEMBER OF THE BOARD OF THE PANAMA CANAL COMMISSION

Mr. GIBSON. Mr. Chairman, I am delighted to be here today to be considered for membership on the Board of the Panama Canal Commission.

I am the president of Delta Steamship Co. We have had extensive dealings in the area of the Panama Canal for many years.

I will be pleased to answer any questions that the committee would wish to ask.

Chairman TOWER. Thank you.

Mr. Watkin, would you like to make a statement?

[The nomination reference and biographical sketch of William W. Watkin, Jr., follow:]

NOMINATION REFERENCE

AS IN EXECUTIVE SESSION,
SENATE OF THE UNITED STATES,
April 29, 1982.

Ordered, that the following nomination be referred to the Committee on Armed Services:

William W. Watkin, Jr., of New Jersey, to be a Member of the Board of the Panama Canal Commission, vice Clifford Bradley O'Hara.

BIOGRAPHICAL SKETCH OF WILLIAM W. WATKIN, JR.

Business.—Former executive director, Delaware River Port Authority, Camden, N.J.

Special qualifications.—Extensive top level management experience. Nine years as Chief Executive Officer of a major transportation/toll authority serving a sixteen person Board of Directors, eight appointed by the Governor of New Jersey and six by the Governor of Pennsylvania with two ex-officio members.

Fifteen years with full responsibility for major engineering and construction activities.

Experienced in navigation related work—harbor, channel, and lock construction, operation and maintenance.

Detailed understanding of all disciplines relating to ocean shipping business.

Experience in fiscal and economic analysis.

Education.—B.S., United States Military Academy—1942; Massachusetts Institute of Technology—course work in Mechanical Engineering in preparation for teaching at West Point, 1947.

M.S. in Civil Engineering, California Institute of Technology, 1951.

Ph. D, Columbia University—1954; Economic geography with primary emphasis on the economics of water resource development projects.

General.—Married, four sons. Registered Professional Engineer, Who's Who in America.

Professional experience

1972–81.—Executive Director, Delaware River Port Authority and President, Port Authority Transit Corporation.

Chief executive of an interstate (Pennsylvania and New Jersey) compact authority charged with building and operating an interstate rail rapid transit system, building and operating four major interstate toll bridges, and promoting commerce and water related industrial development in the Greater Philadelphia-Southern New Jersey metropolitan region. During my tenure, the Authority completed construction of two of its four bridges and maintained essentially stable toll rates on all of its bridges. The PATCO rapid transit system provided such safe, reliable, attractive and efficient service that it is credited with being the best system in the United States. Port commerce was promoted through World Trade offices in many U.S. cities as well as in Europe, the Far East and South America. Tonnages improved so that from 1976 to the present our port area has been num-

ber one in the United States in terms of international cargo handled. As Executive Director, I operated with consistent success in the rather difficult milieu of serving a sixteen person board of directors, the composition of which changed frequently and the members of which often represented widely diverse interests.

1968–72.—Brigadier General, U.S. Army Corps of Engineers.

1970–72.—Deputy Chief of Staff for Economic Affairs on the staff of Gen. Creighton Abrams in Vietnam.

This new position was created on a priority basis by Secretary of Defense Laird who recognized that a collapse of the Vietnamese economy would lead to failure of the Vietnamization program for which the President held him accountable. The Secretary directed the establishment of an Economic Affairs Office in General Abrams headquarters to provide the Secretary of Defense with independent analysis, advice and reports concerning the economic situation in Vietnam and to insure that the U.S. military effort effectively supported the efforts of the U.S. Embassy and the Government of Vietnam to stabilize the economy and promote economic development. My work in directing this activity involved daily contact with senior officials of the U.S. Embassy and the A.I.D. Mission. The activity's success was acknowledged by expressions of appreciation by Ambassador Bunker and Secretary Laird by the award of the Distinguished Service Medal and by the following comments in General Abrams's written evaluation of my performance: "General Watkin has filled a critical position with consummate skill. His capacity to work effectively with both civilian and military colleagues is especially outstanding. I recommend his promotion."

1969–70.—Division Engineer, North Central Division, Corps of Engineers.

Responsible for all Corps of Engineers programs in the Upper Mississippi, Great Lakes and St. Lawrence Drainage Basins. Programs involved all types of water resource development, as well as numerous large military construction projects. Position required contacts with members of Congress and senior officials at the federal and state levels as well as in the private sector. Served as Chairman of six boards of the International Joint Commission which handles international water related planning and regulatory matters. Supervised six Corps of Engineers Districts located in my assigned area of responsibility. Immediate supervisor was the Chief of Engineers, whose rating comments were: "General Watkin's qualification have shown in high relief in his ability to find harmonious solutions to the dredging problems of the Great Lakes, getting federal and state officials to compromise previously established positions based mostly on emotions, all resounding to the benefit of the Nation. He is my top Engineer Candidate for promotion to Major General."

1968–69.—Deputy Commanding General of the Engineer Center and Fort Belvoir, Virginia.

Actually served most of the period as the Commanding General because of the unfortunate terminal illness of the commander. Fort Belvoir is the home post of the Corps of Engineers with a military and civilian work force totaling about 25,000. The Commanding General and the Deputy also served respectively as Commandant and Assistant Commandant of the U.S. Army Engineer School.

1958–68.—Colonel, U.S. Army Corps of Engineers.

1966–68.—District Engineer, Philadelphia District.

Directed an organization of approximately 900, a substantial portion of whom were professional engineers, economists and physical scientists. Responsible for all federal water resource activities in the Delaware River Basin including the Ports of Philadelphia and the Chesapeake and Delaware Canal. Also served as advisor to the U.S. member of the Delaware River Basin Commission, Secretary of the Interior Udall.

1965–66.—Duty with U.S. Forces in the Republic of Vietnam. Served initially as Deputy Army Engineer, U.S. Army Vietnam and later as commander of a 3,500 man Engineer Combat Group in Vietnam's Second Military Region.

1961–65.—Professor, United States Military Academy.

Served as a full professor with the Department of Earth, Space and Graphic Sciences. Responsible for course work presented to West Point cadets in Physical and World Geography, Astronomy, Astronautics, and Engineering Fundamentals. During this period earned a Ph.D. from Columbia University in Economic Geography, with emphasis on the economics of water resource development.

1958–61.—U.S. Army War College.

After one year as a student served as a member of the faculty assigned to do research and to prepare original presentations on the likely nature of future warfare and the associated rolls and missions of the U.S. Army.

1942–58.—Early Service with the U.S. Army Corps of Engineers.

Assignments included duty with engineer troop units in the Southwest Pacific in World War II, as an instructor at West Point, as a graduate student in engineering at both Massachusetts Institute of Technology and California Institute of Technology, and as chief advisor to the Chief of Engineers of the Army of the Republic of China, Taiwan.

STATEMENT OF WILLIAM W. WATKIN, JR., OF NEW JERSEY, TO BE A MEMBER OF THE BOARD OF THE PANAMA CANAL COMMISSION

Mr. WATKIN. Mr. Chairman, I, too, am very pleased to be here so that my nomination may be considered by this committee.

I am William W. Watkin, Jr., and I would be pleased to answer any questions the committee has in reference to my nomination.

Chairman TOWER. Gentlemen, I have some questions I would like to submit to you for the record. First, I would like to ask both of you a question. As you know, by statute, the Board cannot conduct business unless a majority of the Board members present are U.S. nationals.

Now, we would like your assurance that you will rearrange your private business schedules to the maximum extent possible in order to attend these meetings.

Do we have your assurance on that?

Mr. GIBSON. Mr. Chairman, you certainly do.

Mr. WATKIN. Yes, you do.

Chairman TOWER. I have further questions I will submit for response for the record.

Senator Exon?

Senator EXON. No questions.

Chairman TOWER. Senator Jepsen?

Senator JEPSEN. I have no questions, Mr. Chairman, I congratulate the gentlemen on their nominations.

Mr. WATKIN. Thank you, sir.

Chairman TOWER. There are no questions, gentlemen. Your résumés have been carefully reviewed and I congratulate you on your nominations. I think you can expect fairly speedy action.

Mr. GIBSON. Thank you, Mr. Chairman.

Mr. WATKIN. Thank you very much.

[Questions with answers supplied follow:]

QUESTIONS SUBMITTED BY SENATOR JOHN TOWER TO ANDREW E. GIBSON AND WILLIAM W. WATKIN, JR.

Question 1. I know that neither of you have had an opportunity to officially visit the Canal since your nomination, but I am sure that you have had an opportunity to read reports and discuss Canal operations with Canal officials. Based on your knowledge to date, what can be done by the Congress, in its oversight role, to assist the Commission in operating the Canal?

Answer. Our observation has been that the Panama Canal is a very complex operation. We believe that Congress must work hand in glove with the Administration and the Panama Canal Commission to insure that the Canal continues to operate in an efficient, business-like manner so that the United States can fulfill its obligations through the remainder of this century. As Members of the Board, we will work toward that end.

Question 2. Public Law 96–70, the Panama Canal Act of 1979, in order to preserve the U.S. majority of the Board, requires that the U.S. members vote as directed by the U.S. Chairman. I would like to ask both of you, General Watkin and Mr. Gibson, if it is your intention to do so even in the off-chance that you might not totally agree with the Chairman?

Mr. WATKIN. I will follow the requirements of the law.

Mr. GIBSON. I too will follow those requirements.

Senator JEPSEN. Do we need a motion, Mr. Chairman?

Chairman TOWER. The Chair is prepared to entertain a motion that the nominees be favorably reported.

Senator JEPSEN. I so move.

Chairman TOWER. Is there any objection? Without objection, they will be reported favorably, with the poll to be held open until the close of business today for absent Senators to cast their votes.

Without objection, it is so reported.

[Whereupon, at 2:20 p.m. the committee adjourned, to proceed with other business.]

[The nominations of Andrew E. Gibson and William W. Watkin, Jr., were reported to the Senate by Senator Tower on September 14, 1982, with the recommendation that the nominations be confirmed. The nominations were confirmed by the Senate on September 15, 1982.]

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